

CITY ATTORNEY UPDATE

MAY 23, 2012

LAWSUIT TO STOP CONVENTION CENTER EXPANSION TAX DISMISSED

A Superior Court judge has dismissed a suit aimed at rescinding a recently approved tax to fund an expansion of the San Diego Convention Center. Judge Gonzalo Curiel's decision is attached.

The ruling clears the way for the City's validation lawsuit, in which the City is asking the court to rule whether the special tax is legal. It was approved by a vote of hoteliers last month. The validation lawsuit is necessary because this precise method of taxation has never been used. A somewhat similar tax to fund the San Jose Convention Center expansion was found to be legal in a validation action.

Unite Here Local 30, the county's hospitality and tourism workers union, sought to stop the vote on the tax, saying it violated the California Constitution.

The City argued that the union's claim had no basis in the law since it had already committed to testing the tax in court via the validation action. Judge Curiel ruled for the city, saying, among other things, that the validation action, which the City filed May 10, negated the need for the union's lawsuit.

Judge Curiel further ruled that the lawsuit was premature because the City has said no tax will be levied unless the validation action finds that the tax is legal.

"This lawsuit was a waste of money for taxpayers and the labor union," City Attorney Jan Goldsmith said. "We said we would file a validation lawsuit and we did it."

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